



PRESS RELEASE

Federal Deposit Insurance Corporation • Each Depositor insured to at least \$250,000

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Sunwest Bank, Tustin, California, Assumes All of the Deposits of First State Bank, Flagstaff, Arizona

FOR IMMEDIATE RELEASE

First State Bank, Flagstaff, Arizona, was closed today by the Arizona Department of Financial Institutions, which appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. To protect the depositors, the FDIC entered into a purchase and assumption agreement with Sunwest Bank, Tustin, California, to assume all of the deposits of First State Bank.

Due to the Labor Day holiday, the six branches of First State Bank will reopen on Tuesday as branches of Sunwest Bank. Depositors of First State Bank will automatically become depositors of Sunwest Bank. Deposits will continue to be insured by the FDIC, so there is no need for customers to change their banking relationship to retain their deposit insurance coverage. Customers should continue to use their existing branches until Sunwest Bank can fully integrate the deposit records of First State Bank.

This evening and over the weekend, depositors of First State Bank can access their money by writing checks or using ATM or debit cards. Checks drawn on the bank will continue to be processed. Loan customers should continue to make their payments as usual.

As of July 24, 2009, First State Bank had total assets of \$105 million and total deposits of approximately \$95 million. In addition to assuming all of the deposits of the failed bank, Sunwest Bank agreed to purchase essentially all of the assets.



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

FDIC press releases and other information are available on the Internet at www.fdic.gov, by subscription electronically (go to www.fdic.gov/about/subscriptions/index.html) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). PR-165-2009

Customers who have questions about today's transaction can call the FDIC toll-free at 1-800-537-4048. The phone number will be operational this evening until 9:00 p.m., Mountain Standard Time (MST); on Saturday from 9:00 a.m. to 6:00 p.m., MST; on Sunday from noon to 6:00 p.m., MST; and thereafter from 8:00 a.m. to 8:00 p.m., MST. Interested parties can also visit the FDIC's Web site at <http://www.fdic.gov/bank/individual/failed/firststate-az.html>.

The FDIC estimates that the cost to the Deposit Insurance Fund (DIF) will be \$47 million. Sunwest Bank's acquisition of all the deposits was the "least costly" resolution for the FDIC's DIF compared to alternatives. First State Bank is the 89th FDIC-insured institution to fail in the nation this year, and the third in Arizona. The last FDIC-insured institution closed in the state was Union Bank, National Association, Gilbert, on August 14, 2009.

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